

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting

Friday, February 19, 2016 – 6:30 A.M.
WEDC Offices – Conference Room
250 South Highway 78 – Wylie, Texas

CALL TO ORDER

Announce the presence of a Quorum

President Marvin Fuller called the meeting to order at 6:34 a.m. Board Members present were Mitch Herzog, John Yeager, Demond Dawkins and Todd Wintters.

Ex-officio Member City Manager Mindy Manson was present.

WEDC staff present was Executive Director Sam Satterwhite, Assistant Director Jason Greiner, and Sr. Assistant Angel Wygant.

CITIZEN PARTICIPATION

Lynn Grimes was in attendance and informed the Board that The Wylie Art Gallery would be hosting a reception on Saturday, February 20th from 1 – 3 pm for students who participated in the Wylie ISD PTSA Reflections Art Program. In addition, she informed the Board that RaceTrac continues to be No. 1 for 6K stores with in-store sales exceeding \$100,000 per month.

ACTION ITEMS

ITEM NO. 1 – Consider and act upon approval of the January 22, 2016 Minutes of the Wylie Economic Development Corporation (WEDC) Board of Directors Meeting.

MOTION: A motion was made by Mitch Herzog and seconded by Todd Wintters to approve the January 22, 2016 Minutes of the Wylie Economic Development Corporation. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 2 – Consider and act upon approval of the January 2016 WEDC Treasurer's Report.

MOTION: A motion was made by Mitch Herzog and seconded by Todd Wintters to approve the January 2016 WEDC Treasurer's report. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 3 – {Remove from Table} Consider and act upon a Performance Agreement between the WEDC and Fruediger Holdings, LLC.

MOTION: A motion was made by John Yeager and seconded by Todd Wintters to Remove Item from Table. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

D/FW Electric (Frueidiger Holdings, LLC) initially came to the WEDC in an attempt to evaluate options for either acquiring property in Wylie or a similar property in Rowlett to house their expanding operations which were previously housed in 15,000 square feet on Kristen Court. Following an oral commitment by WEDC staff for assistance, D/FW closed on the property and staff is presenting the attached Performance Agreement for the Board's review.

The property in Wylie was previously owned by Rushin Truss and was comprised of 20,000 square feet of warehouse and 1,800 square feet of office. D/FW will be converting 5,500 square feet of warehouse into office at a cost of not less than \$250,000. In presenting this project previously, the Board was more interested in retaining the 75 existing jobs than a \$250,000 investment in expanded office space. D/FW also indicated that the increased office space will allow the company to meet a significant need to expand their office staff by no less than 10 people.

The attached Agreement proposes a total maximum incentive of \$70,000 which is broken down as follows:

Incentive No. 1a	\$15,000
➤ 5,500 sq ft office space added at a minimum cost of \$250,000	
Incentive No. 1b	\$25,000
➤ Confirmation of no less than 75 existing employees	
Incentive No. 2	\$30,000
➤ Confirmation of no less than 10 additional employees	

Should D/FW fail to meet the Performance Measures for either Incentive No. 1a or 1b, the entire Performance Agreement is voided in advance. Further, should D/FW fail to add ten additional employees as called for within Section II c, no partial incentive payment will be provided to D/FW.

Staff recommended that the WEDC Board of Directors approve a Performance Agreement between the WEDC and Frueidiger Holdings, LLC providing for a maximum cumulative incentive of \$70,000 and further authorizing the WEDC Executive Director to execute said Agreement.

The Board directed staff to include language specifying that the 10 new employees needed to be 'full-time' employees and that appraised value on the real property be no less than \$835,000.

MOTION: A motion was made by John Yeager and seconded by Demond Dawkins to approve a Performance Agreement between the WEDC and Frueidiger Holdings, LLC, as amended, providing for a maximum cumulative incentive of \$70,000 and further authorizing the WEDC Executive Director to execute said Agreement. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 4 - Consider and act upon a Performance Agreement between WEDC and Ascend Custom Extrusions, LLC

Attached for the Board's review was a Performance Agreement between the WEDC and Ascend which was executed on December 20, 2013. In order to qualify for the 3rd incentive payment of \$24,000 Ascend must provide documentation to the WEDC of the installation and operation of a 3rd extrusion press at the

Project with a purchase price (plus installation cost) of not less than \$4,500,000. Qualifying documentation was provided on January 31, 2015.

The final payment under this agreement, in the amount of \$24,000, is scheduled for February 1, 2017.

Being that Ascend was not in default under the terms of the Performance Agreement, staff recommended that the WEDC Board of Directors approve an incentive payment of \$24,000 to Ascend Custom Extrusions, LLC.

MOTION: A motion was made by Todd Wintters and seconded by John Yeager to approve an incentive payment of \$24,000 to Ascend Custom Extrusions, LLC per the terms of the Performance Agreement between the WEDC and Ascend. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 5 – Consider and act upon issues surrounding a WEDC Business Retention & Expansion Program.

Jason Greiner presented The WEDC Business Retention and Expansion (BRE) program focusing on BRE Strategy, Overview, and Action Plan. With this renewed focus, WEDC will be better equipped to encourage the growth and expansion of Wylie companies through personal interviews and a variety of programs. The BRE interviews will be conducted by the WEDC Team, but primarily the Assistant Director and Executive Director will be responsible for ensuring the future success of the program.

The primary goal is to develop, maintain and strengthen relationships with the CEOs and plant managers of our existing businesses and industry to assist with the continued growth and expansion of Wylie's industrial and commercial sectors. A secondary strategy of internal business development (BRE) is to identify new target companies that are excellent candidates for recruitment that may be referred to us by existing businesses.

During personal interviews and a variety of other meetings, staff will gather intelligence and input data into WEDC's custom database. This unique CRM (Customer Relationship Management database) will allow staff to update company specific information, identify talent/workforce needs, expansion opportunities, infrastructure needs, barriers to growth, the state of the particular industry and strengthen relationships with community partners through referral of services. The BRE Program will help identify and address any other needs or concerns companies may have.

Moving forward, Greiner identified the following tasks/benchmarks which will take place moving forward:

- Redefine WEDC's BRE Strategy by developing a BRE Overview and Action Plan
- Acquire licensing for a custom database/CRM. The Salesforce platform is easy to use and allows for integration with our BRE program
- Attend the International Economic Development Council's Business Retention Expansion course in April 2016
- Design, test, and launch the program by April 30, 2016
- Provide initial feedback for the FY15-16 WEDC Annual Report

Staff recommended that the WEDC Board of Directors approve the acquisition of Salesforce licensing in the amount of \$2,556.45.

MOTION: A motion was made by Todd Winters and seconded by Demond Dawkins to approve the acquisition of Salesforce licensing in the amount of \$2,556.45. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

DISCUSSION ITEMS

ITEM NO. 6 - Staff report: review issues surrounding Performance Agreements between the WEDC and: Woodbridge Crossing, Ascend Custom Extrusions, CSD Woodbridge, Exco Tooling Solutions, Von Runnen Holdings, All State Fire, 605 Commerce/W&M Environmental, 106 N. Birmingham, Expiring Terms for Board Members, Mann Made/Linduff Real Estate Transactions, sporting events, and regional housing starts.

Woodbridge Crossing

Attached for the Board's review was the Sales Tax Reimbursement Report which identifies all sales taxes received through January 2016 within Woodbridge Crossing for the City General Fund, the WEDC, and the 4B. As a reminder, the City and WEDC reimbursed 85% of all sales tax generated within Woodbridge Crossing through September 2013 with the reimbursement percentage reduced to 65% thereafter. Due to the default under the Amended and Restated Performance Agreement, Woodbridge Crossing is only eligible to receive up to \$6 million in sales tax reimbursement through September 2021 as opposed to the maximum reimbursement of \$12 million originally contemplated.

\$3,320,133.44 in reimbursement has been earned through January 2016 with net receipts of \$2,511,667.94 after reimbursements. As well, it is estimated that \$3.5 mm has been paid in ad valorem taxes to the City of Wylie (excluding the WISD).

As shown on the Sales Tax Reimbursement Report, \$126,607.23 was generated in sales tax in November 2015 versus \$124,877.73 in November 2014. This increase represents a 1.4% gain over 2014 receipts.

Ascend Performance Agreement

With the 2012 Performance Agreement completed, a second Performance Agreement executed in December 2013 is the last commitment between the parties. Payment #3 of 4 is being considered currently with the remaining Performance Obligations attached for your review.

CSD Woodbridge Performance Agreement

On July 15, 2013 a certificate of occupancy (CO) was issued for Kroger Marketplace. Beginning October 1, 2013 and ending October 1, 2023, Clark Street Development is eligible to receive a ½ cent sales tax reimbursement from the WEDC (City of Wylie not part of sales tax reimbursement agreement). Quarterly payments will be made to Clark Street based upon the data provided by the Comptroller. In addition to the \$100,000 reimbursement incentive paid by the WEDC at CO, Clark Street is eligible to receive cumulative incentives of \$1,100,000 over the life of the Agreement.

Along with a summary of the Performance Agreement, a Sales Tax Reimbursement Report was included for the Board's review.

Exco Tooling Solutions

Exco has completed construction of its 30,000 square foot facility within Premier Business Park, moved the majority of equipment, and received a temporary Certificate of Occupancy. Staff is waiting to fund Incentive Payment No. 1 upon the issuance of a Final CO. An additional \$80,000 will be funded over the next four years in payments of \$20,000 each.

Exco has experienced challenges with the installation of their new age oven and is still utilizing the old age oven located at their Highway 78 location. Staff has agreed to extend their lease of the 78 property until February 18th at no cost to accommodate their use of the age oven. Exco has agreed to leave the utilities on for an approximate two week period to allow PD to use the building for SWAT training.

Von Runnen Holdings

Von Runnen has completed construction of their facility with Incentive payment No. 1 of \$20,000 being issued. Should there be any Board member interested in touring the new facility, please contact staff.

All State Fire Equipment

All State Fire Equipment was issued a building permit on July 2, 2015 and held their Ground-Breaking ceremony on September 18, 2015. Work is progressing well and ASFE appears to be on track to receive a Certificate of Occupancy by the August 1, 2016 as required in their Performance Agreement. A final inspection has been scheduled with the issuance of a Temporary CO being imminent.

605 Commerce/W&M Environmental

Attached for the Board's review was a spreadsheet tracking all activities with W&M Environmental for FY 2014-15 and FY 2015-16. W&M has prepared Phase I & II reports for Mann Made, K&M, Business Way, is processing the VCP application for the Commerce property, and processing the Municipal Setting Designation through the City.

106 N. Birmingham

Staff has come to terms with Wylie Glass to lease the K&M building. Wylie Glass will be contracting with an electrician to bring the building up to code and will also be upgrading the exterior of the building.

Expiring Terms for Board Members

Terms for Board Members Fuller and Herzog will expire in July 2016. Applications were made available at the meeting for those Board Members wishing to be considered for reappointment.

Mann Made/Linduff Real Estate Transactions

As reported via email the real estate transaction between the Edge family and the WEDC has been finalized. Pulliam Construction Management has been paid in full and lien releases have been secured from all contractors working on the job.

Sporting Events

Attached for the Board's review was the Promotional Activities Report which specifically details attendees at Dallas Mavericks games.

Regional Housing Starts

Nine homes were permitted in Wylie for January 2016. Sachse, Lavon, and Murphy permitted a combined thirty homes over the same period.

No action is requested by staff for this item.

EXECUTIVE SESSION

Recessed into Closed Session at 7:34 a.m. in compliance with Section 551.001, et.seq. Texas Government Code, to wit:

Section 551.072 (Real Estate) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act). Consider the sale or acquisition of properties located near the intersection of:

- Cooper Drive & State Highway
- Martinez and Alanis
- Hooper and F.M. 544
- Highway 78 & Ballard
- Regency and F.M. 544
- Commerce and F.M. 544

Section 551.087 (Economic Development) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act).

- Project 2015-12a
- Project 2016-1a
- Project 2016-1b

Mindy Manson departed the meeting at 8:14 a.m.
Mitch Herzog departed the meeting at 8:19 am.

RECONVENE INTO OPEN MEETING

The WEDC Board of Directors reconvened into open session at 8:44 a.m. and took no action.

ADJOURNMENT

With no further business, President Fuller adjourned the WEDC Board meeting at 8:44 a.m.



Marvin Fuller, President

ATTEST:



Samuel Satterwhite, Director